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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From:  
Securities and Exchange Commission  
Office of FOIA Services  
100 F Street, NE  
Washington, D.C. 20549-2736

Extension: Form Custody

SEC File No. 270-643, OMB Control No. 3235-0691

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (“PRA”), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Form Custody (17 CFR 249.639) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (“Exchange Act”). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Section 17(a)(1) of the Exchange Act provides that broker-dealers registered with the Commission must make and keep records, furnish copies of the records, and make and disseminate reports as the Commission, by rule, prescribes. Pursuant to this authority, the Commission adopted Rule 17a-5 (17 CFR 240.17a-5), which is one of the primary financial and operational reporting rules for broker-dealers.<sup>1</sup> Paragraph (a)(5) of Rule 17a-5 requires every broker-dealer registered with the Commission to file Form Custody (17 CFR 249.639) with its designated examining authority (“DEA”) within 17 business days after the end of each calendar quarter and within 17 business days after the date selected for the broker-dealer’s annual report if

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<sup>1</sup> Rule 17a-5 is subject to a separate PRA filing (OMB Control Number 3235-0123).

that date is not the end of a calendar quarter. Form Custody is designed to elicit information about whether a broker-dealer maintains custody of customer and non-customer assets, and, if so, how such assets are maintained.

There are approximately 4,113 broker-dealers registered with the Commission. Based on staff experience, the Commission estimates that, on average, it would take a broker-dealer approximately 12 hours to complete and file Form Custody, for an annual industry-wide reporting burden of approximately 197,424 hours.<sup>2</sup> Assuming an average cost per hour of approximately \$291 for a compliance manager, the total internal cost of compliance for the respondents is approximately \$57,450,384 per year.<sup>3</sup>

Written comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

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<sup>2</sup> 4,113 brokers-dealers x 4 times per year x 12 hours = 197,424 hours.

<sup>3</sup> 197,424 hours times \$291 per hour = 57,450,384. \$291 per hour for a compliance manager is from SIFMA's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff for an 1800-hour work-year, multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead, and adjusted for inflation.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street, NE, Washington, DC 20549, or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Robert W. Errett  
Deputy Secretary

Dated: July 13, 2016.

[FR Doc. 2016-17000 Filed: 7/18/2016 8:45 am; Publication Date: 7/19/2016]